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A CONCURRENT RESOLUTION proposing to amend Article IV, Section VII, paragraph 2 of the New Jersey Constitution.

Proposes constitutional amendment to authorize Legislature to permit by law establishment and operation of casinos in certain counties.

PRIME Sponsor \_\_\_\_\_ / \_\_\_\_\_

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Same as \_\_\_\_\_ 12/13      Same as \_\_\_\_\_ 14/15

Suggested allocation:

**A CONCURRENT RESOLUTION** proposing to amend Article IV, Section VII, paragraph 2 of the New Jersey Constitution.

**BE IT RESOLVED** by the Senate of the State of New Jersey (the General Assembly concurring):

1. The following proposed amendment to the Constitution of the State of New Jersey is hereby agreed to:

**PROPOSED AMENDMENT**

Amend Article IV, Section VII, paragraph 2 to read as follows:

2. No gambling of any kind shall be authorized by the Legislature unless the specific kind, restrictions and control thereof have been heretofore submitted to, and authorized by a majority of the votes cast by, the people at a special election or shall hereafter be submitted to, and authorized by a majority of the votes cast thereon by, the legally qualified voters of the State voting at a general election, except that, without any such submission or authorization:

A. It shall be lawful for bona fide veterans, charitable, educational, religious or fraternal organizations, civic and service clubs, senior citizen associations or clubs, volunteer fire companies and first-aid or rescue squads to conduct, under such restrictions and control as shall from time to time be prescribed by the Legislature by law, games of chance of, and restricted to, the selling of rights to participate, the awarding of prizes, in the specific kind of game of chance sometimes known as bingo or lotto, played with cards bearing numbers or other designations, 5 or more in one line, the holder covering numbers as objects, similarly numbered, are drawn from a receptacle and the game being won by the person who first covers a previously designated arrangement of numbers on such a card, when the entire net proceeds of such games of chance are to be devoted to educational, charitable, patriotic, religious or public-spirited uses, and in the case of bona fide veterans' organizations and senior citizen associations or clubs to the support of such organizations, in any municipality, in which a majority of the qualified voters, voting thereon, at a general or special election as the submission thereof shall be prescribed by the Legislature by law, shall authorize the conduct of such games of chance therein;

B. It shall be lawful for the Legislature to authorize, by law, bona fide veterans, charitable, educational, religious or fraternal organizations, civic and service clubs, senior citizen associations or clubs, volunteer fire companies and first-aid or rescue squads to conduct games of chance of, and restricted to, the selling of rights to participate, and the awarding of prizes, in the specific kinds of games of chance sometimes known as raffles, conducted by the drawing for prizes or by the allotment of prizes by chance, when the

**EXPLANATION** – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

**Matter underlined thus is new matter.**

entire net proceeds of such games of chance are to be devoted to educational, charitable, patriotic, religious or public-spirited uses, and in the case of bona fide veterans' organizations and senior citizen associations or clubs to the support of such organizations, in any municipality, in which such law shall be adopted by a majority of the qualified voters, voting thereon, at a general or special election as the submission thereof shall be prescribed by law and for the Legislature, from time to time, to restrict and control, by law, the conduct of such games of chance;

C. It shall be lawful for the Legislature to authorize the conduct of State lotteries restricted to the selling of rights to participate therein and the awarding of prizes by drawings when the entire net proceeds of any such lottery shall be for State institutions and State aid for education; provided, however, that it shall not be competent for the Legislature to borrow, appropriate or use, under any pretense whatsoever, lottery net proceeds for the confinement, housing, supervision or treatment of, or education programs for, adult criminal offenders or juveniles adjudged delinquent or for the construction, staffing, support, maintenance or operation of an adult or juvenile correctional facility or institution;

D. (1) It shall be lawful for the Legislature to authorize by law the establishment and operation, under regulation and control by the State, of gambling houses or casinos within the boundaries, as heretofore established, of the city of Atlantic City, county of Atlantic, and to license and tax such operations and equipment used in connection therewith. Any law authorizing the establishment and operation of such gambling establishments shall provide for the State revenues derived therefrom to be applied solely for the purpose of providing funding for reductions in property taxes, rental, telephone, gas, electric, and municipal utilities charges of eligible senior citizens and disabled residents of the State, and for additional or expanded health services or benefits or transportation services or benefits to eligible senior citizens and disabled residents, in accordance with such formulae as the Legislature shall by law provide. The type and number of such casinos or gambling houses and of the gambling games which may be conducted in any such establishment shall be determined by or pursuant to the terms of the law authorizing the establishment and operation thereof.

(2) It shall also be lawful for the Legislature to authorize by law wagering at casinos or gambling houses in Atlantic City on the results of any professional, college, or amateur sport or athletic event, except that wagering shall not be permitted on a college sport or athletic event that takes place in New Jersey or on a sport or athletic event in which any New Jersey college team participates regardless of where the event takes place.

(3) (a) It shall also be lawful for the Legislature to authorize by law the establishment and operation, under regulation and control by the State, of no more than two gambling houses or casinos, each one to be located in different counties of this State, and to license

and tax such operations and equipment used in connection therewith. The boundaries of each municipality in which each gambling house or casino is located shall be outside a 75 mile radius calculated from the outermost boundary, as heretofore established, of the city of Atlantic City in the county of Atlantic.

(b) Any law authorizing the establishment and operation of such gambling establishments shall provide for all the State revenues derived therefrom to be credited to a special New Jersey Investment Fund to be applied solely as follows.

Commencing in the first State fiscal year in which State revenues are derived under part (3) of subparagraph D. of this paragraph, and for the subsequent 15 State fiscal years,

(i) 49 percent of the amount so credited in each State fiscal year shall be dedicated for the purposes of the recovery, stabilization, or improvement of the city of Atlantic City, and

(ii) 49 percent of the amount so credited in each State fiscal year shall be dedicated as follows:

one half for the purposes specified in part (1) of subparagraph D. of this paragraph; and

one half for State aid to each county and municipality in the State for programs and property tax relief for senior citizens and disabled residents and for such other purposes as the Legislature shall by law provide.

For the next subsequent 10 State fiscal years, the percentage applied for the purposes of (i) above shall decrease by three percentage points from the prior State fiscal year percentage, and the percentage applied for the purposes of (ii) above shall increase by three percentage points from the prior State fiscal year percentage.

Thereafter, 19 percent of revenues credited to the investment fund in each State fiscal year shall be applied for the purposes of (i) above, and 79 percent of revenues credited to the investment fund in each State fiscal year shall be applied for the purposes of (ii) above.

Commencing in the first State fiscal year in which State revenues are derived under part (3) of subparagraph D. of this paragraph and in each State fiscal year thereafter, two percent of the amount credited to the investment fund in each State fiscal year shall be dedicated for the purposes of programs designed to aid the thoroughbred and standardbred horsemen in this State.

(c) The eligibility for each initial license to establish and operate a gambling house or casino under part (3) of subparagraph D. of this paragraph shall be limited to: a holder of a New Jersey casino license that was operating a casino which was conducting gambling on December 11, 2015; and any person licensed as a principal owner of a holder of a New Jersey casino license that was operating a casino which was conducting gambling on December 11, 2015 if that principal owner also holds a valid license to own and operate a

casino in another jurisdiction with licensing standards similar to those in New Jersey.

(d) The location and type of such casinos or gambling houses, and of the gambling games which may be conducted in any such establishment, shall be determined by or pursuant to the terms of the law authorizing the establishment and operation thereof.

E. It shall be lawful for the Legislature to authorize, by law, (1) the simultaneous transmission by picture of running and harness horse races conducted at racetracks located within or outside of this State, or both, to gambling houses or casinos in the city of Atlantic City and (2) the specific kind, restrictions and control of wagering at those gambling establishments on the results of those races. The State's share of revenues derived therefrom shall be applied for services to benefit eligible senior citizens as shall be provided by law; and

F. It shall be lawful for the Legislature to authorize, by law, the specific kind, restrictions and control of wagering on the results of live or simulcast running and harness horse races conducted within or outside of this State. The State's share of revenues derived therefrom shall be used for such purposes as shall be provided by law.

It shall also be lawful for the Legislature to authorize by law wagering at current or former running and harness horse racetracks in this State on the results of any professional, college, or amateur sport or athletic event, except that wagering shall not be permitted on a college sport or athletic event that takes place in New Jersey or on a sport or athletic event in which any New Jersey college team participates regardless of where the event takes place.

(cf: Art. IV, Sec. VII, par. 2; amended effective December 5, 2013)

2. When this proposed amendment to the Constitution is finally agreed to pursuant to Article IX, paragraph 1 of the Constitution, it shall be submitted to the people at the next general election occurring more than three months after the final agreement and shall be published at least once in at least one newspaper of each county designated by the President of the Senate, the Speaker of the General Assembly and the Secretary of State, not less than three months prior to the general election.

3. This proposed amendment to the Constitution shall be submitted to the people at that election in the following manner and form:

There shall be printed on each official ballot to be used at the general election, the following:

a. In every municipality in which voting machines are not used, a legend which shall immediately precede the question as follows:

If you favor the proposition printed below make a cross (X), plus (+), or check (✓) in the square opposite the word "Yes." If you are

opposed thereto make a cross (X), plus (+) or check (✓) in the square opposite the word "No."

b. In every municipality the following question:

	YES	<p style="text-align: center;">CONSTITUTIONAL AMENDMENT TO PERMIT CASINO GAMBLING IN TWO COUNTIES OTHER THAN ATLANTIC COUNTY</p> <p>Do you approve amending the Constitution to permit casino gambling in two additional counties in this State? At present, casino gambling is allowed only in Atlantic City in Atlantic County.</p> <p>Only one casino in each of the two counties would be permitted. Each casino is to be located in a town that is more than 75 miles from Atlantic City. The amendment would limit who may receive a casino license initially.</p>
	NO	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>At present, casino gambling is allowed only in Atlantic City in Atlantic County. This amendment would allow the Legislature to pass laws to permit casino gambling to take place in two other counties in this State.</p> <p>Only one casino in each of the two counties would be permitted. Each casino is to be located in a town that is more than 75 miles from Atlantic City. The amendment would limit who may receive a casino license initially.</p> <p>The laws passed by the Legislature would provide for the location and type of casinos and the licensing and taxing of the operation and equipment.</p> <p>The amendment provides that the State's share of revenue from the operation of the two casinos would be used for the recovery, stabilization, or improvement of Atlantic City. It would also be used for programs and property tax relief for senior citizens and disabled residents and other purposes as provided by law. A lesser portion would be used to aid the thoroughbred and standardbred horsemen in this State.</p>

## STATEMENT

Under current law, casino gambling is permitted only in Atlantic City in Atlantic County. This constitutional amendment would allow the Legislature to pass laws to permit the establishment and operation, under regulation and control by the State, of casinos in two other counties of this State. No more than two casinos would be permitted and only one casino in each of the two counties would be permitted. Also, each casino is to be located in a municipality that is more than 75 miles from Atlantic City.

Only the following would be eligible for each initial license to operate a casino in another county: a holder of a New Jersey casino license that was operating a casino in which gambling was being conducted on December 11, 2015; and any person licensed as a principal owner of a holder of a New Jersey casino license that was operating a casino in which gambling was being conducted on December 11, 2015 if that principal owner also holds a valid license to own and operate a casino in another jurisdiction with licensing standards similar to those in New Jersey.

The law would determine the location and type of such casinos and of the gambling games which may be conducted. The law would also determine the tax rate to be levied upon the gross gaming revenues derived from the gambling operations.

The amendment specifies that the State revenues derived from the new casinos would be credited to a special New Jersey Investment Fund to be applied solely as follows.

Commencing in the first State fiscal year in which State revenues are derived and for the subsequent 15 State fiscal years,

(i) 49 percent of the amount so credited in each State fiscal year would be dedicated for the purposes of the recovery, stabilization, or improvement of the city of Atlantic City, and

(ii) 49 percent of the amount so credited in each State fiscal year would be dedicated as follows:

one half for the same purposes to which the Atlantic City State revenues are currently applied; and

one half for State aid to each county and municipality in the State for programs and property tax relief for senior citizens and disabled residents and for such other purposes as the Legislature provides by law.

For the next subsequent 10 State fiscal years, the percentage applied for the purposes of (i) above would decrease by three percentage points from the prior State fiscal year percentage, and the percentage applied for the purposes of (ii) above would increase by three percentage points from the prior State fiscal year percentage.

Thereafter, 19 percent of revenues credited to the investment fund in each State fiscal year would be applied for the purposes of



(i) above, and 79 percent would be applied for the purposes of (ii) above.

Commencing in the first State fiscal year in which State revenues are derived and in each State fiscal year thereafter, two percent of the amount credited to the investment fund in each State fiscal year would be dedicated for the purposes of programs designed to aid the thoroughbred and standardbred horsemen in this State.

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Proposes constitutional amendment to authorize Legislature to permit by law establishment and operation of casinos in certain counties.